

**LATE**

Government Relations

Testimony of
Phyllis Dendle
Director of Government Relations

Before:
Senate Committee on Health
The Honorable Josh Green, M.D., Chair
The Honorable Clarence K Nishihara, Vice Chair

February 10, 2012
2:45 pm
Conference Room 229

SB 2087 RELATING TO HEALTH

Chair Green and committee members, thank you for this opportunity to provide testimony on SB 2087 which amends the law regarding chemotherapy services.

Kaiser Permanente Hawaii recommends amending the bill.

When this law was passed in 2009 the intent of the legislature was to assure that patients would not be disadvantaged by using oral chemotherapy rather than intravenous chemotherapy. In fact the language of the law requires that oral drugs be "at the same" copay as IV drugs.

Health plan designs have changed and this law now again creates a disadvantage for oral chemotherapy drugs.

In the prevalent HMO plan there is a copay per dose for all drugs administered in clinic or the hospital. Among the drugs administered in a clinic are IV chemotherapy drugs. Normally, drugs dispensed by the pharmacy to be taken by the patient at home have a copay per 30 day supply. Under the current language of the law, we should be charging a per dose copay for oral drugs which would be much more expensive for the patient. In order to remedy this situation we suggest the current law be amended to say "at the same or lower". This would make it impossible to charge more for oral drugs than IV drugs but allow for them to be less than IV drugs.

This bill might solve the problem I described but not as written. For one thing, at Kaiser we do not charge a different copay for nongeneric drugs. Beyond that, the bill is not really clearly written.

Page on1 line 9 -would need to say "including generic and nongeneric oral chemotherapy"

I think on page on1 line 13, it should be:

"for generic orally administered cancer medications" rather than "for nongeneric orally administered cancer medication. "

On page 1 line 14 it probably should say:

"percentage cost share for generic or non-generic intravenous or injected"

This is confusing.

We suggest the following amendment to the current law:

[§431:10A-126] Chemotherapy services. (a) Notwithstanding section 23-51, all individual and group accident and health or sickness insurance policies that include coverage or benefits for the treatment of cancer shall provide payment or reimbursement for all chemotherapy that is considered medically necessary as defined in section 432E-1.4, including orally administered chemotherapy, at the same or lower copayment percentage or relative coinsurance amount as is applied to intravenously administered chemotherapy; and shall apply equally to generic and non-generic medications; provided that this section shall not apply to an accident only, specified disease, hospital indemnity, long-term care, or other limited benefit health insurance policy.

Thank you for your consideration.

LATE



February 10, 2012
1:30 P.M.
Conference Room 229

To: Senate Committee on Health
Senator Josh Green M.D., Chair
Senator Clarence K. Nishihara, Vice-Chair

From: Hawaii Public Health Association
Christopher Lum Lee, Chair, Legislative Committee

Re: SB2087 RELATING TO HEALTH

Chair Green and Committee members:

Thank you for the opportunity to provide testimony on SB2087 which the Hawaii Public Health Association does indeed support for the following two reasons:

From a financial perspective, placing a limit on out-of-pocket costs for cancer medications certainly eases the financial constraints on a person who requires these medications. It can go without being said that any person afflicted with any form of cancer will incur the economic losses of savings spent on medications and income from missed time at work- so in this situation, every penny does count.

And to be in sync with the financial reasoning behind supporting this measure, this ties in with the Association's vision of health equity and healthcare access to the people of Hawaii. Specifically, this allows greater access to medications due to the microeconomics involved.

The Association does thank this Committee for providing the forum to hold this discussion and also for the opportunity to provide testimony on this measure. It is in the Association's hopes that this Committee passes this measure.

Respectfully submitted,

/s/ Christopher K.J. Lum Lee

Christopher K.J. Lum Lee, Chair
Hawaii Public Health Association Legislative Committee